



Transfer Pricing



Key Transfer Pricing considerations for Multinational Groups

- > Do you have robust transfer pricing policies in place?
- > Have you prepared a Country-by-Country Report and analyzed any potential risk factors?
- > Have you reviewed the use and ownership of intellectual property and analyzed conformity with OECD DEMPE?
- > Do you have operational TP processes in place to monitor and adjust your inter-company pricing?
- > Do you have intercompany loans, cash pool or guarantees? Are you aware of the OECD's new guidance for I/C financial transactions?
- > Have you analyzed the effect of ESG on transfer pricing?

What makes WTS Global a Trusted Partner in Transfer Pricing?

No annual audits worldwide

Committed to independence



Full tax portfolio worldwide

Global tax practice



Highly ranked independent local tax firms

More than 100 countries



Fully dedicated Global Executive team

Central management



Stringent quality criteria and strong governance

Regular quality reviews of members



Closely interconnected global teams and service lines

High partner involvement



WHAT GLOBAL EVENTS ARE INFLUENCING THE TRANSFER PRICING LANDSCAPE?

The initial OECD BEPS deliverable released in 2015 led to fundamental changes to the way in which multinationals approach transfer pricing. Enhanced tax transparency across the value chain and increased transfer pricing compliance requirements in the form of the three-tiered transfer pricing documentation approach have compelled companies to rethink the way in which they plan, document, and defend their intercompany pricing.

Now the OECD BEPS Two-Pillar proposal to address the challenges in the taxation of the digitalized economy is poised to disrupt the new *status quo* even before the effects of the initial BEPS project have been fully realized.

If Pillar One and Pillar Two are adopted and widely implemented as anticipated by the OECD Inclusive Framework, defensive value chain transformation, transfer pricing compliance, and dispute resolution promise to be at the forefront of the agenda of taxpayers, tax authorities, and WTS Global.

In the current global economic and political environment, transfer pricing is one of the most challenging and potentially costly tax matters for multinational companies. The cost of overlooking proper transfer pricing implementation and documentation can be taxable income adjustments in transfer pricing audits, resulting in additional tax liabilities, interest and penalties on tax underpayments, and the potential for double taxation.

Matthias Lichtblau, WTS Global COO

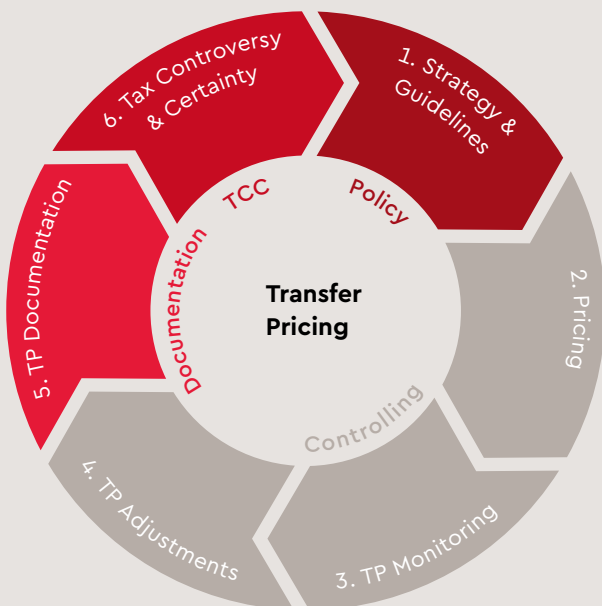
How WTS Global can help?

As an independent transfer pricing practice with coverage in more than 100 countries, we are uniquely positioned to assist businesses in managing their transfer pricing needs along the entire transfer pricing lifecycle. Our industry-leading advisors provide strategic planning guidance, implementation, compliance support, and dispute resolution services.

Our transfer pricing practice is headed by Jared Walls (USA) and Melanie Appuhn-Schneider (Germany), with support from a dedicated team of regional leaders in the Americas, EMEA, and APAC markets.

To meet the ever-changing needs of our clients, we have also established global Mindset Hubs covering Treasury and Financial Services and Tax Certainty and Controversy. Our cross-border expert teams leverage from sharing knowledge and experiences, ensuring cutting-edge transfer pricing solutions in an increasingly complex and connected world.

In addition to our advisor-led services, we are a market leader for digital transfer pricing solutions, with ongoing investments in software-based compliance tools, process automation, and artificial intelligence.



Find out more
and subscribe
to our TP Insights

TP Leadership Vision

Our mission is not only to advise our clients on the transfer pricing challenges they face today, but also to help them anticipate and prepare for the challenges they will face tomorrow. Our investments in people and technology enable us to do just that. We are excited and motivated about the future of transfer pricing, led by WTS Global.

"We are working with WTS' transfer pricing team since more than one year now and we absolutely appreciate the team's high engagement. The response time in case of questions is always excellent. With its 20 years and steady growth, WTS is still a young tax firm working successfully on the further expansion and deepening of its global network."

Global German-based client in the glass industry

Our Advisor-Led Services

- › Pragmatic TP policy solutions
- › Global TP risk assessment
- › Supply chain advice, planning and optimisation
- › Advice on intercompany transactions involving Intellectual Property and DEMPE
- › Comprehensive economic analysis and benchmarking
- › Credit rating and interest rate analysis as well as pricing for cash pooling systems, guarantees, factoring arrangements and treasury services
- › Value contribution analysis
- › Financial modelling
- › BEPS impact analysis

Planning & Optimisation

- › Preparation of OECD-compliant and local country TP documentation
- › Review of Country-by-Country Reports
- › Preparation of documentation in a Master File and Local File format
- › Operational TP guidelines
- › Preparation and documentation of intercompany agreements

Documentation

- › Comprehensive cross-border business restructuring advice
- › Valuation of intangible assets
- › OECD Chapter IX analysis: valuation and documentation of business restructurings
- › IP ownership and DEMPE analysis

Business Restructuring

Transfer Pricing Defence

- › Advice and assistance with Advance Pricing Agreements, Advance Thin Capitalization Agreements and Mutual Agreement Procedures
- › Tax audit defense and litigation support

Our Mindset Hubs

Complex transfer pricing issues require customized transfer pricing solutions. Our transfer pricing practice has established dedicated Mindset Hubs to advise on emerging issues and other specialty areas of transfer pricing, including following.

TREASURY AND FINANCIAL SERVICES

Due to non-binding guidance at the international level and diverging views at national levels, this area of transfer pricing represents an increasing potential for uncertainty and risk for taxpayers.

Our cross-border expert team supports clients with all aspects of the transfer pricing lifecycle for corporate I/C finance transactions, including credit ratings of companies, interest rate benchmarking as well as pricing for cash pooling systems, guarantees, factoring arrangements and treasury services.

Contacts:

Melanie Appuhn-Schneider
melanie.appuhn-schneider@wts.de

TAX CERTAINTY AND CONTROVERSY

With the current tax policy developments leading to an increased transparency and uncertainty, we see a growing taxpayer demand for tax certainty and dispute resolution.

By engaging in close cross-border collaboration with WTS member firms, we are able to leverage from sharing knowledge and experiences in this field. This allows us to serve our clients' needs and to be ahead of the curve in tackling the challenges of the rapidly changing legal and business landscape.

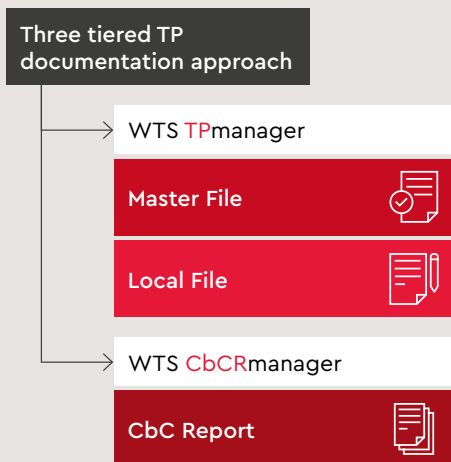
Contact:

Taco Wiertsema
tw@atlas.tax

Our Software Solutions

Three-tiered approach to transfer pricing documentation

Through our web-based tools, the documentation can be supported and controlled throughout the Group. The IT solutions not only simplify the preparation of TP documentation, but also ensure compliance with the latest OECD documentation requirements.



Contact:

Andreas Riedl
andreas.riedl@wts.de

TPmanager

Our TPmanager facilitates an efficient transfer pricing documentation process with an integrated and clear workflow assignment and associated dead-line control throughout the entire Group.



Find out more about
WTS TPmanager

CbCRmanager

Country-by-Country Reporting (CbCR) Manager makes all the aspects of TP documentation process easier and more reliable across all jurisdictions.

CbCRmanager provides support in standardized data recording based on various KPIs (compliant with the local and OECD requirements) and identifying potential audit risks.

To drive forward advanced tech-developments, we cooperate with the German Research Center for Artificial Intelligence.



Find out more about
WTS CbCRmanager

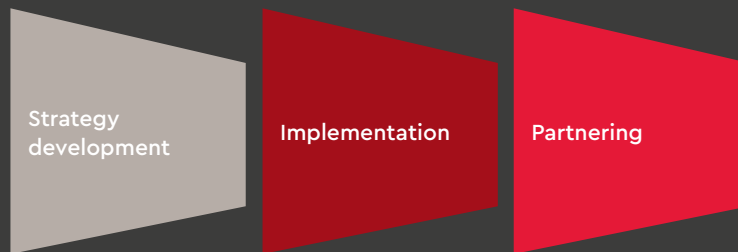
Our Data Analytics Solutions

AUTOMATED OPERATIONAL TRANSFER PRICING

To evolve operational transfer pricing from time-consuming, manual day-to-day work to automated and human-centric processes, our experts support our clients with the latest technology available in Data Analytics, Business Intelligence and Process Automation. By aligning and harmonizing transfer pricing data and processes across Tax, Controlling, Accounting, and IT, we help the tax department create value for the business, enhance transfer pricing risk management, and free up resources so the tax department can focus on other challenges.

Contact:

Michél Braun
michel.braun@wts.de



We approach transformation from three perspectives:

1. Developing an appropriate strategy
2. Implementing the strategy
3. Establishing effective partnering

Transformation is a circular approach that begins with an analysis of potential opportunities, process optimization, process automation and maintenance.

OVERVIEW OF OUR APPROACH

1. Analysis of Potential Opportunities

Identification of weaknesses and potential to optimize (exemplary output: initiation workshops, pre-assessment, target definition).

2. Process Optimization

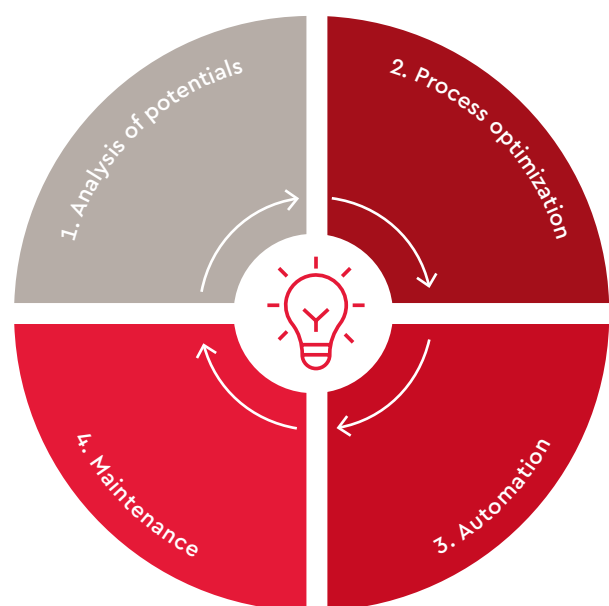
Elimination of bottlenecks and utilization of optimization potentials (exemplary output: process analysis, process documentation, implementation and change management of new processes).

3. Automation

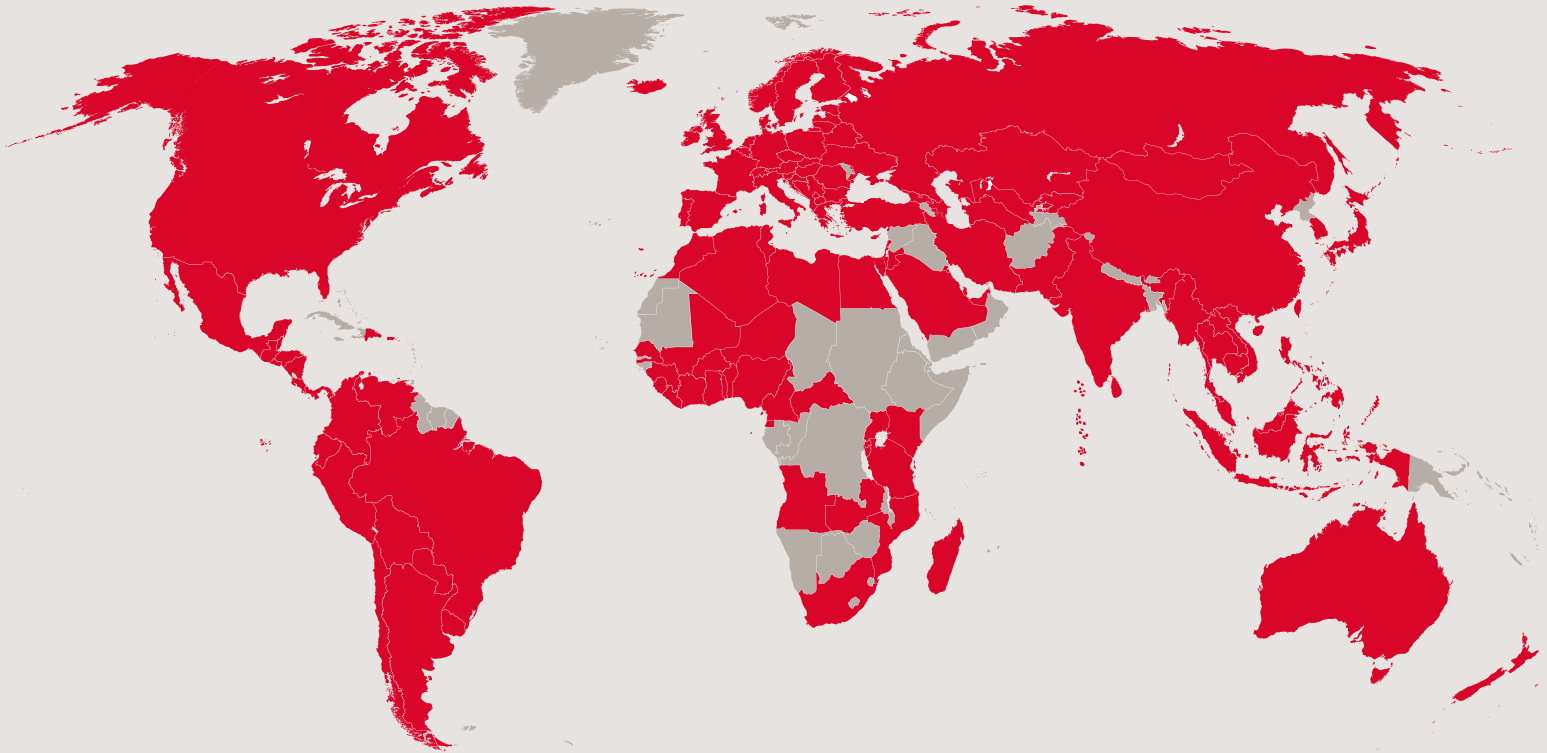
Transfer of manually executed processes into automated processes (including development and implementation of analysis dashboards in PowerBI, workflow solutions, and data analysis in Alteryx, further development of machine learning or AI solutions).

4. Maintenance

Sustainable establishment and maintenance of the new processes within your organization (our implementation models include e.g., build-and-transfer, build-and-operate, build-operate-transfer).



Strong local Tax Expertise throughout the World



LOCALLY ROOTED – GLOBALLY CONNECTED

With coverage in over 100 countries, WTS Global is among the world's largest non-audit tax practices offering the full range of tax services. We deliberately refrain from conducting annual audits in order to avoid any conflicts of interest. We are guided by our commitment to be a long-term trusted advisor for our clients, both locally and globally. Clients of WTS Global include multinational companies, international mid-size companies as well as private clients and family offices.

The member firms of WTS Global are carefully selected through stringent quality reviews. They are strong local players in their home market united by the am-

bition of building a truly global practice that develops the tax leaders of the future and anticipates the new digital tax world.

WTS Global combines senior tax expertise from different cultures and backgrounds and offers world-class skills in tax advisory, tax compliance and accounting as well as tax digital, coupled with the ability to think like experienced businesspeople in a constantly changing world.



Find out more about what makes WTS Global the trusted transfer pricing advisors

TP SERVICE LINE GLOBAL HEADS



Jared Walls

Global TP Co-Head
Member of the WTS Global
Board of Directors
WTS Global USA
+1 (530) 301-1818
jared.walls@valentiam.com



Melanie Appuhn-Schneider

Global TP Co-Head
WTS Global Germany
+49 162 138 9816
melanie.appuhn-schneider@wts.de

TP GLOBAL SERVICE LINE MANAGER



Silvia Sepúlveda

WTS Global Germany
+49 162 2445043
silvia.sepulveda@wts.de